

The provisions of the Raffles Act, 230 ILCS 15/1, govern the conduct of raffles in Illinois. (This is a GIL.)

October 13, 2005

Dear Xxxxx:

This letter is in response to your letter dated October 5, 2005, in which you request information. The Department issues two types of letter rulings. Private Letter Rulings ("PLRs") are issued by the Department in response to specific taxpayer inquiries concerning the application of a tax statute or rule to a particular fact situation. A PLR is binding on the Department, but only as to the taxpayer who is the subject of the request for ruling and only to the extent the facts recited in the PLR are correct and complete. Persons seeking PLRs must comply with the procedures for PLRs found in the Department's regulations at 2 Ill. Adm. Code 1200.110. The purpose of a General Information Letter ("GIL") is to direct taxpayers to Department regulations or other sources of information regarding the topic about which they have inquired. A GIL is not a statement of Department policy and is not binding on the Department. See 2 Ill. Adm. Code 1200.120. You may access our website at [www.tax.illinois.gov](http://www.tax.illinois.gov) to review regulations, letter rulings and other types of information relevant to your inquiry.

The nature of your inquiry and the information you have provided require that we respond with a GIL. In your letter you have stated and made inquiry as follows:

We are writing to request that the Department's Legal Services Bureau provide a letter ruling with respect to the permissibility of installing electronic raffle games at various locations throughout the State of Illinois.

Our client, is interested in distributing electronic raffle games in the State of Illinois. The electronic raffle games operate in essentially the same manner as a paper raffle game. We believe that such electronic raffle games meet the definition of a 'raffle' under the Illinois Raffle Act, 230 ILCS 15/1. We are requesting that the Department review this matter, and provide its opinion as to whether these types of electronic games constitute 'raffles' under the Act.

The object of the game is to be the player to obtain the winning combination of numbers on an electronically displayed card. The numbers are randomly generated by a computer operating system located in the machine. Raffle prizes and payouts are paid to the player achieving wins designated on a pay table displayed on the game screen. All raffle cards and raffle ball drawings are unique on every game.

As I mentioned, we have reviewed the Illinois Raffle Act, 230 ILCS 15/1, and it is our opinion that electronic raffle game [sic] as described above meet the definition of a raffle. Section 1 of the Raffle Act defines 'raffle' as a form of lottery conducted by an

organization licensed under the Act, in which '(1) the player pays or agrees to pay something of value for a chance, represented and differentiated by a number or by a combination of numbers or by some other medium, one or more of which chances is [sic] to be designated the winning chance; and (2) the winning chance is to be determined through a drawing or by some other method based on an element of chance by an act or set of acts on the part of the persons conducting or connected with a lottery, except that the winning chance shall not be determined by the outcome of a publicly exhibited sporting contest.'

Based on the foregoing definition of a 'raffle', there appears to be no substantive difference between an electronic raffle game and a paper raffle game. Paper raffle games have been the traditional medium by which a raffle game is conducted. However, the use of an electronic medium is becoming more and more popular, and my client wishes to utilize this product for distribution to various charitable organizations and bingo halls.

It would be greatly appreciated if you would please provide us with your position regarding the use of these electronic raffle machines for conducting raffles under the Raffle Act. If you need any additional information or otherwise have any questions in this regard, please feel free to contact me at any time. Thank you for your time and attention to this matter.

#### **DEPARTMENT'S RESPONSE:**

You have asked that the Department state its position on the use of an electronic medium for conducting a raffle game. The areas of gaming subject to the Department's jurisdiction include the Illinois Pull Tabs and Jar Games Act, the Bingo License and Tax Act and the Charitable Games Act.

The Raffles Act, which is not administered by the Department of Revenue, governs the conduct of raffles in Illinois. Under the Raffles Act, counties or municipalities in Illinois may establish a system for licensing organizations to operate raffles. The Raffles Act defines a raffle, the types of organizations that can be licensed to conduct raffles, and restrictions on the conducting of raffles. There are no specific provisions in the Raffles Act which appear to address electronic gaming machines.

Therefore, whether the electronic game you have described constitutes a raffle within the scope of the Raffles Act is a question that you may wish to direct to the municipalities or county governments that have established systems for the regulation of raffles. Raffles conducted in accordance with the Raffles Act are not deemed to constitute illegal gambling under the provisions of Section 28-1 (b)(8) of the Criminal Code of 1961. Section 2 (11) of the Bingo License and Tax act similarly provides that raffles authorized under the Raffles Act may be conducted on the premises where bingo is being played.

I hope this information is helpful. If you require additional information, please visit our website at [www.tax.illinois.gov](http://www.tax.illinois.gov) or contact the Department's Taxpayer Information Division at (217) 782-3336. If you are not under audit and you wish to obtain a binding PLR regarding your factual situation, please submit a request conforming to the requirements of 2 Ill. Adm. Code 1200.110 (b).

Very truly yours,

Edwin E. Boggess  
Associate Counsel

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